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Miscellaneous

## AGM TRADING UPDATE AND PLANNED BOARD CHANGES

[ZYTRONIC PLC](#)

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Zytronic plc  
("Zytronic" or the "Company", and  
together with its subsidiary, the "Group")

### AGM Trading Update and Planned Board Changes

Zytronic, a leading specialist manufacturer of touch sensors, provides the following trading update and commentary regarding planned Board changes, ahead of the AGM being held at the Company's offices at 1.00 p.m. today.

#### AGM Trading Statement

Trading conditions for the first two months of FY23 were commented upon in the Company's FY22 Final Results announcement released 13 December 2022 ("FY22 Final Results") and remained relatively unchanged at the end of January 2023. As described more fully below and consistent with the trend outlined in the Final Results release, business development and the opportunities pipeline continue to progress positively.

Performance during the first four months of the current financial year has continued to be affected by the ongoing global supply chain considerations as described in the FY22 Final Results announcement and the average monthly order intake is also at levels similar to those of the second half of FY22. As the shortage of certain electronic component items persists the Group continues, by necessity, to purchase certain items either on the grey market (at higher pricing) or to cannibalise existing finished stock, due to the lack of availability and levels of allocations from original manufacturers.

More pleasingly the opportunities pipeline, which was covered in some depth in the FY22 Final Results announcement, has increased to 505 'Open' opportunities, with an increase in the customer projected lifetime value ("CPLV") to £61m (30 September 2022: 484 Open opportunities and CPLV of £59m). This continues the net positive trends in these two metrics observed since July 2021 which, while remaining subject to monthly variability, are further evidence of the improving medium-term prospects for the business.

With regards to wages and salaries, the Group's operational management has now entered the period of wage negotiations with employee representatives for a 1 April 2023 effective date. The Company is mindful of general cost of living issues and of the significant changes to, and implications from, the proposed increases to the National Minimum and National Living Wage rates applicable from that date. These, alongside inflation considerations, have the potential to negatively impact costs over the second half of the fiscal year ahead of previous budgeting.

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Company No. 03881244, Registered in England  
VAT No. GB 746 4858 88



The Company's balance sheet remains strong with net cash of £6.8m as at 31 January 2023 (30 September 2022: £6.4m).

### Outlook

As a result of the combined effects of the continuing supply chain issues and the increasingly robust opportunities pipeline, the Board anticipates a stronger second-half weighting of revenue than that observed for the last financial year. A further update will be provided at the time of the Group's interim results (for the six months ending 31 March 2023), which are expected to be released in May 2023.

### Planned Board Changes

As previously noted, the Board is progressing the appointment of further new Independent Non-executive Directors ("INEDs") in order to improve the balance of Board independence in recognition of QCA Corporate Governance Code (the "QCA Code") guidelines, after the departure of the previous non-Executive Chair at the start of the FY23 fiscal year due to ill health. The Board continues to review strategies for future growth and improved shareholder value and expects to appoint recruitment agents to support its INED search in support of these goals once these are further defined and the optimal skill sets to support their delivery are identified.

Notwithstanding this on-going process, the Board has agreed that it is in the best interests of the Group that Mark Cambridge is able to solely concentrate on its operational requirements. To facilitate this, he will step down as Acting Executive Chair at the conclusion of the AGM and resume his prior role of CEO, with Mark Butcher (INED) being appointed to the position of Interim Non-executive Chair. The Company will update its Corporate Governance Statement on its website shortly, to reflect this change, while Mark Butcher's appointment as Chair means he would not ordinarily be expected to chair the audit and remuneration committees, this is a current practical necessity and will be resolved on the appointment of a further suitable INED or INEDs.

In addition to this, the Board has agreed to the recent request of John Walter, the largest individual shareholder in the Company, to temporarily join the Board from 10 February 2023, as a Non-executive Director. John's appointment will be for a fixed-term period, concluding no later than the day prior to the posting of the notice to shareholders of the 2024 AGM. John is a former investment banker and wealth manager with over 25 years' investment experience in the public markets. Further regulatory disclosures in relation to the appointment of John Walter will be made in the Results of AGM announcement to be issued later today.

Although the Board recognises that John is not independent by virtue of his shareholding interest, it considers that his temporary appointment will afford it with a better balance of Non-executive impartiality in the interim and provides reasonable shareholder input into the process of seeking and concluding the appointments of new INEDs.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 (which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018).

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Zytronic is a world-renowned developer and manufacturer of a unique range of internationally award winning optically transparent interactive touch sensor overlay products for use with electronic displays in industrial, self-service and public access equipment.

Zytronic's products employ a sensing solution that is readily configurable and embedded in a laminate core that offers significant durability, environmental stability and optical enhancement benefits to system designers specific requirements.

Zytronic has continually developed process and technological know-how and IP since the late 1990's around two sensing methodologies; the first being single touch self-capacitive which Zytronic markets as PCT™ ("Projected Capacitive Technology") and the second being multi-touch, multi-user mutual-capacitive which Zytronic markets as MPCT™ ("Mutual Projected Capacitive Technology"), in which Zytronic holds five granted patents.

Zytronic operates from a single site near Newcastle-upon-Tyne in the United Kingdom. Zytronic is relatively unique in the touch eco-system as it offers a complete one-stop solution from processing internally the form and factor of the glass substrates, assembles their touch overlay products to customers specific requirements, in environmentally controlled cleanrooms and develops the bespoke firmware, software and electronic hardware to link the interactive overlays to customer's integrated systems and products.

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